

TBI

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TBI speaks to Turkey's main distribution companies about how changes in the domestic market are impacting their business, how they are dealing with the challenge of selling into the Middle East and how Turkish drama is becoming hot property in Latin America



Turkey: imports and exports

TRT's lavish drama *Filinta* is co-distributed by TRT Sales and ITV Inter Medya

A country of 70 million TV homes, Turkey has an established domestic broadcasting and pay TV sector and has forged a reputation as a prolific drama producer.

However, as scripted sales to MENA have fallen away because of political instability and emerging local competition in the region, the country's distributors are looking to new markets. Universally, they cite Latin America as a key growth region and each also talks of breaking into the hard-to-crack territories in western Europe and into the US.

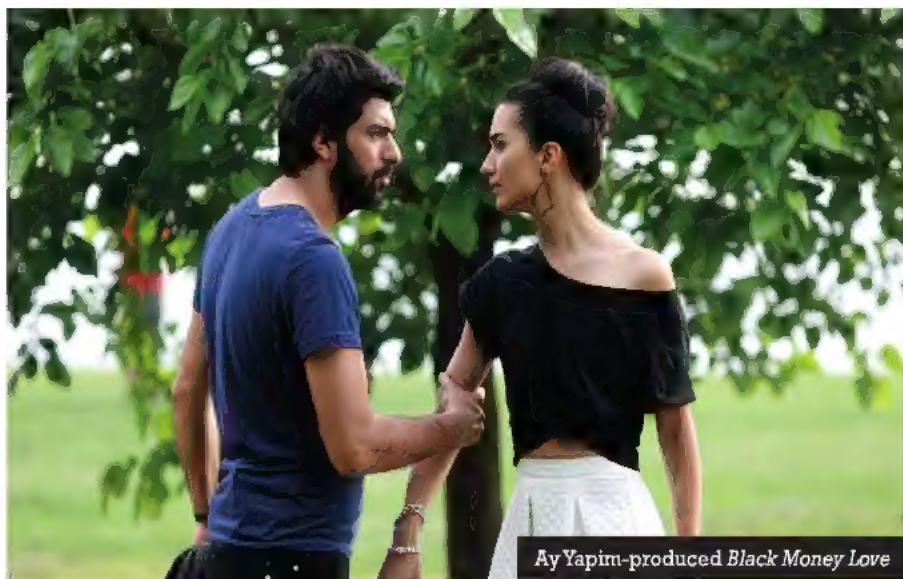
A new ratings regime that saw TNS take over from Nielsen has also created disruption, with broadcasters still attempting to work out what rates well with the new panel and cancellations coming in as they fine-tune their line-ups. This has led to the creation of some shorter series, although still with the 90-minute episodes the Turkish audience prefers (and which work as two commercial hours in many international markets) such as 13-part Kanal D drama *Matter of Respect*, which is now hitting the international market.

The bulk of Turkish dramas, however, still run to a large number of episodes, and with their epic feel and stories of love won and lost, are not dissimilar to the traditional Latin telenovela. It should not come as a surprise then that Turkish fiction is starting to make waves in Latin America.

"2015 will be the year for Turkish dramas in Latin America," says Can Okan, president and CEO of indie distributor ITV Inter Medya.

Kanal D international sales executive Kerim Emrah Turner says Latin America has become a key region for his company. "Two years ago we would have said it was a 'target region' and now it has turned into a core market for us. The next big Latin markets will be Argentina, Brazil – where we have just done our second deal – and US Hispanic." To that point, Kanal D has just completed its first US Hispanic deal, selling *Fatmagul*, *Kuzey Guney* and *Secrets* to Telemundo.

Public broadcaster TRT also has a fully-fledged sales operation, as does ATV. Global Agency has, in a short period of time, established itself as a serious independent international player (and party organiser, as Discop attendees will attest). The other indie of note is ITV Inter Medya. It scored a coup



at the end of 2014 when it picked up rights (shared with TRT) to three dramas from public broadcaster TRT: 13th Century Ottoman Empire epic *Resurrection*, weekly family drama *Tree of Life* and period police drama *Filinta*, directed by Kudret Sabanci (*1001 Nights*), and which the company hopes will open doors with buyers in western Europe.

TRT's deputy head of TV, acquisitions, sales and coproductions, Mehmet Demirhan, says that while it will not seek out third-party content for its catalogue, it is happy to work with other Turkish distributors. "We'd like to benefit from the synergy of independent Turkish sales agents like ITV or Global Agency," he says. "We believe that we should have more international sales agents like them. It shows the power of Turkish market."

TRT, which also sells its dramas internationally, gave its business an overhaul last year. "In 2014 we took time to restructure and design our new strategy," says Demirhan. Its key titles are dramas *Dirili* and the aforementioned *Filinta*. It has also begun investing in miniseries, which Demirhan says is a key growth area.

"We think that it is an important genre, and we believe that with high production quality and new stories that have never been told before, miniseries will enhance the global demand for Turkish content," he says.

Other dramas recently added to the ITV Inter Medya line-up, meanwhile, include Ay Yapim's *Black Money Love*, which it hopes will



SELLING INTO TURKEY: THE INTERNATIONAL DISTRIBUTION PERSPECTIVE

Turkey presents international distributors with a challenge. Historically, its payTV buyers have been good customers for drama and free-TV has been more inclined to take local versions of international formats. However, a move towards local content, a new ratings system that has caused confusion, and a weak local currency all mean reduced budgets for international acquisitions.

The large number of episodes local viewers are accustomed to and the increasing strength of local drama production have made importing drama increasingly tough, although bought-in scripted still plays in primetime on pay TV. There is also an established scripted formats business with local versions of *Desperate Housewives*, *The O.C.* and more recently *ER*.

Despite the obstacles, the main distributors are all doing business. "Licence fees are starting to level out in Turkey as the market has found its price points, thanks to output deals and other long-term agreements," says Anahita Kheder, senior VP, Middle East, Africa and Southeastern Europe. "As a rough guide, compared to other Eastern European pricing, Turkey buys at the higher end of the spectrum."

FremantleMedia, which services Turkey from its Dubai office, has sold the finished versions of *American Idol* and *America's Got Talent* and *Project Runway* to Digiturk and

on the formats side, has versions of *Got Talent* (*Yetenek Sizsiniz Turkiye*) and *Family Feud* on air, the latter recently switching from TRT to TV8.

"The Turkish market is extremely competitive, even more so since the launch of a new ratings system," says Jennifer Ebell, vice president, sales SE EMEA for ITV Studios Global Entertainment. "The schedules and habits of the free-to-air broadcasters reflect that; primetime is dominated by traditional Turkish drama and the formats market is demanding. Meanwhile, pay TV providers are looking to offer something different to the FTAs in order to attract a fresh audience and that is where foreign content finds its niche."

ITVSGE's recent Turkish sales include a drama package to Digiturk, the pay TV platform reportedly bought by Al Jazeera for US\$820 million in late 2014, which included *Poirot* and *Murdoch Mysteries*. On the formats front, P Productions makes a local version of hit cooking format *Come Dine with Me* for Kanal D.

On the international drama side, Zodiak Rights has shopped the first three seasons of *Braquo* and season two of *The Returned* to pay channel Sinema TV. Elliott Chalkley, the firm's VP of sales highlights *Versailles*, *Occupied* and *Tatau* as key dramas for the market this year.

"Turkey is a very competitive market where there is a strong preference for local

scripted programmes, which can make drama sales challenging," says Denis Cantin, vice president, head of content sales, A+E Networks.

"However, Turkey is also a receptive market, where buyers are very aware of what is happening in the international TV landscape and acknowledge that the right content has the power to travel."

A+E, which runs the US A&E, History and Lifetime channels, is ramping up its drama distribution efforts and Cantin reports interest in US cable drama among pay and free TV buyers.

Business and entertainment channel CNBC-E shows BBC Worldwide's *Sherlock* and *Doctor Who* and Worldwide vice president Natasha Hussain says the latter has the fourth-largest social media following in Turkey of anywhere in the world. "Turkish audiences love shows that are creative and inventive with strong storytelling," she adds.

Worldwide's format successes include *Bake Off*, which was recently recommissioned for TV8, which also runs Talpa format *The Voice*.

A+E's Cantin concludes: "One of the many exciting aspects of the Turkish market is the willingness of so many of the players to take risks and be innovative. When so much television around the world is starting to look homogenised, this makes Turkey very attractive."

work as a scripted format, and *In Between*, the 126-part TV adaptation of Fatih Harbiye's romantic novel. Ahead of Discop Istanbul it also inked a representation deal with Pana Film, the Turkish prodco that makes long-running political thriller *Valley of the Wolves*.

ITV Inter Medya's Okan acknowledges sales have been tough for distributors in the Middle East and says his company is now focusing on individual territories over pan-regional deals. "Since some major Middle Eastern broadcasters that acquire distribution rights to our shows stopped buying Turkish content, we have created a new business model and started doing distribution on a territory-by-territory basis," he says. "Our key accounts in the MENA region are pay TV operators and free-to-air broadcasters in Egypt, the Gulf

region, Lebanon, Algeria and Morocco."

Kanal D's Kerim Emrah Turner also acknowledges the difficulties, but underlines the importance of the Middle Eastern countries. "It is a tough and a hard market, but these are our neighboring countries and

we have a shared history and relations. From that perspective, the Arab-speaking markets will remain important."

The problems with selling into the Middle East and North Africa need to be seen in context, with Lat Am and elsewhere picking up

"2015 will be the year for Turkish dramas in Latin America"

Can Okan, ITV Inter Medya



IZZET PINTO: A GLOBAL OUTLOOK

Global Agency differs from its peers in that it has, since its inception in 2006, forged a reputation as an international formats player. It also works in the more familiar Turkish distribution area of drama sales, with titles including the hit period drama *Magnificent Century*.

Founder and CEO Izet Pinto made his first format sales trip to Cannes in 2006 with just one paper format in hand, *Perfect Bride*. "It was a big thing to start selling Turkish formats, it was making headlines at home when they started to sell worldwide," he

"Our advantage is we are the only format company in Turkey, so if people have a [format] idea they come to us," says Pinto. "We get pitched a lot but only pick up one or two a year."

Global Agency also sells third-party shows from beyond Turkey such as *Share or Dare* from Israel's United Studios and another show from Israel, *Dance With Me*, from Studio Glam.

The company's noisy and highly visible approach to marketing is partly about showing partners how hard they are

some of the slack, says TRT's Demirhan. "Yes, MENA countries are quite important, but we should not forget that Turkey is the second biggest drama producer and exporter [in the world] after the US."

"The Latin American market is welcoming Turkish content and exploiting the benefits of programming our content. Latin America is the new territory. We have a sales agent for the region, and in a short time we are getting substantial returns and feedback."

ATV Distribution, the sales arm of free-to-air broadcaster ATV, reported its first deals in Lat Am last year, and with the sale of *Sila* to Romania's Pro TV also ushered Turkish drama into the free-to-air broadcaster's primetime for the first time.

"Political changes have affected the [Middle Eastern] market and the industry has seen sudden declines," says ATV Distribution's head of sales Ziyad Varol, adding that deals are still being made but "there is a clear change of environment when compared with bright days for the market."

For ATV, the Lat Am expansion started with sales in Chile, and Varol says: "The US Hispanic market is also trending for our ready-mades, and script rights are on the rise for English speaking US market."

ATV, part of the Turkuvaz Media group, is about to debut a trio of new dramas – *Overture*, *Stolen Life* and *Price of Love* – and ATV Distribution will bring the female-skewed series to market as finished series and, potentially, formats. Looking at the year ahead, Varol says a key target is increasing the proportion of revenues the division contributes to the group. "ATV Distribution makes 15-20% of ATV's total revenue and in 2015 we'd like to increase that up to 30%," he says.

Turkish distributors' US ambitions received a boost earlier this year when US prodco Intrigue, Carol Mendelsohn Productions, Sony and Timur Savci of TIMS Productions agreed to join forces to pilot of *Game of Silence*, based upon Turkish thriller series *Suskunlar*, which is distributed by Global Agency.

For ITV's *Can Okan*, the next challenge "is the difficult and in some sense conservative markets like the US, and European countries like France, Germany and UK". With Turkey the country of honour at MIPTV, its distributors will look to make good on the talk while centre stage in Cannes. **TBI**

"We wanted to be a global brand, so we needed to stand out and be different"

Izet Pinto, Global Agency



recalls of the time.

Global's key formats now include *Shopping Monsters*, which has now run to over 700 episodes on Kanal D in Turkey, and music talent series *Keep Your Light Shining*, its second original format.

In terms of format creation, the latter was the big breakthrough for Global Agency, which took it to market with a full promo but without a local broadcaster ("it's not about the local market for us, it's not a big deal for us to be on air in Turkey," Pinto says). It has since sold to Brazil's Globo and Germany's ProSieben among others.

Its next in-house offering is *It's Showtime*, which launches at Discop Istanbul. Global Agency is bullish predicting the reality-talent show will be in 40 territories within two years. "It focuses on more than just the person's talent, it's also about their character and personality," Pinto says. "It's very big; it's very warm."

The company also has a new singing talent format that was created by Turkish pop star Rafet El Roman, *Stairway to Fame*.

pushing their content, Pinto adds. "When I created the company it had 'Global' in the name because we wanted to be a global brand, so we needed to stand out and be different and find unique ways to promote ourselves. We are very active and aggressive in marketing, which is one reason why indie producers and creators want to work with us. We either do it big or we don't do it."

In 2012 Global Agency, along with TIMS (the Turkish prodco behind *Magnificent Century*) bought into Australia-based Worldwide Entertainment to give it a finished content business. Pinto says: "Our sales team was busy selling formats and drama. For finished programming the buyers are different and we needed a different company to focus on that."

Could there be more acquisitions in the works, or could Global Agency itself be bought? "I don't want to sell," he says. "But do we want to acquire? Absolutely. And if we do acquire a brand we would prefer for it to remain separate, we want a benefit beyond just feeding [content] into the catalogue."

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The Middle East's formats business is evolving, and international companies are seeking out opportunities to create new models and score local commissions, reports Jesse Whittock

Middle East facing



Arab Idol season two finale

Received wisdom dictates formats in the Middle East are the preserve of one genre – shiny floor talent shows – and one broadcaster – pan-regional MBC. However, international producers and distributors are eyeing different revenue streams as hungry new local broadcasters emerge following the Arab Spring and TV production and broadband infrastructure improves.

International players see opportunity in the region. Endemol, for example, has a local production hub there, though the industry suffered a setback last year when ex-*Voice of Arabia* coproducer Sony Pictures Television closed its Arabic production base, cutting resources in Lebanon, the UAE and Egypt.

Locally-devised formats are focused on talk and game shows, with big-budget shows coming from international distributors, says Endemol Middle East's managing director Lara Haddad, whose firm has formats including *Fear Factor* on air. Other sources say that while there are a plethora of successful local prodcos, the industry remains "broadcaster-led".

"International business is extremely important as the local audience watches formats produced in the USA, France or the UK, so it's great for these to be then produced in Arabic for the region," says Haddad.

Ziad Kebbi – who joined *The Voice* firm Talpa Media to run its new Talpa Middle East unit after leaving SPT Arabia last summer – says pan-regional giant MBC has had "a clear strategy to be the dominant player" in shiny floor formats.

Acknowledging this, MBC's group TV director Ali Jaber – a judge on *Arabs Got Talent* – says the broadcaster is "still waiting for real competition", adding: "Any broadcaster has the right to buy the IP for a global format."

Format giants such as John de Mol's Talpa and FremantleMedia are key partners for MBC, in any case. The latter's *Arabs Got Talent* and *Arab Idol* are big hitters, both in ratings and monetary terms. "In the Middle East, we've formulated a very unique commercial proposition that works to the strengths of every partner," says FremantleMedia's senior VP Middle East, Africa and South Eastern Europe, Anahita Kheder.

"Eight years ago, you would have seen a lot more formats in the Middle East," says Karim Sarkis, CEO of Dubai-based Sync Media. "Broadcasters now just tend to want the big shiny floor shows with the track record."

Space is, indeed, limited for high-concept local

formats, but Sarkis says critics are wrong about global formats. "These people don't understand the TV business: these are Arab productions, with Arab production staff, Arab contestants and Arab judges. They are Arab shows."

MBC's Jaber says the main challenge for networks lies in the "actual production of the show displayed on TV to create a loyal weekly audience that is hooked to your screen".

MBC does not just commission large-scale formats, however. It has recently launched *Leisha Laa*, a version of MTV show *Buried Life* on MBC1, and a local *Entertainment Tonight* titled *ET Bil Arabi* on MBC4.

Jaber describes a strong Arabic format as one that appeals to pan-regional audience, is sensitive to cultural sensitivities, has various audience engagement tools built in, is able to take the best of the international format and implement that locally, and offers sponsorship and product placement opportunities.

Newer pan-regionals are also stepping up. In 2013, Egyptian satellite channel CBC revived Endemol's flagship Middle Eastern format *Star Academy*, which had previously run on LBCI for eight seasons, launching a 24-hour branded channel. LBCI also ran the new show in Lebanon.

Other players and newer entrants are looking beyond the pan-regional model.

"Privately-owned and funded broadcasters

have come up and are buying licences just for the local market," says FremantleMedia's Kheder. "That has changed the whole pan-Arab model. Previously everything was 22-territory deals all the time, but now it is local deals too."

In Egypt, for example, various networks sprung up after the Arab Spring of 2011, with the territory's small-to-middle-sized producers now working up a stream of comedies, current affairs and sports shows at cost-effective rates.

One recent deal saw US-created cooking format *The Taste* going into the territory. Sync, which handles Red Arrow International's catalogue in the Middle East following an April 2013 agreement, placed the show with Al-Nahar, and has now produced the first season. OSN has acquired pay TV rights.

The deal highlights agreements that see Middle Eastern prodcos represent the libraries of major international formats distributors. "We have managed to raise the profile of the Red Arrow catalogue in the past 18 months," says Sync's Sarkis. "Before that, people would only know of the company by seeing them at MIP, but there was no-one following up locally."

In February, Banijay International tied up with Péri Cochon's Periscoop, which previously produced Banijay's French talk show format *Taratata* for Dubai TV. This will see Periscoop represent shows such as *BFF: Best Friends*



The Voice of Arabia is a key format for MBC



Pictured left to right: Ali Jaber, MBC; Karim Sarkis, Sync; Lara Haddad, Endemol; Ziad Kebbi, Talpa; Anahita Kheder, Fremantlemedia; Sebastian Burkhardt, Banijay International

Forever, Beat the Star and Popstars in the region.

"This will give us a really strong footprint in the region," says Banijay International's senior VP, international sales, Sebastian Burkhardt. "We are mainly a big production group, so it helps us in our dealings with the region."

Banijay has also recently placed French format *It's Only TV* with Lebanon's MTV.

International players have to contend with cultural issues if they want to find success in the region. "We have *The Taste*, but the reality formats like *Big Brother* don't work for cultural reasons," says Sync's Sarkis.

MBC's Jaber says cultural issues are critically important when deciding whether to commission an international format, adding: "We do tend to investigate the cultural sensitivity of a programme before we invest in it for the region; it is vital for the format's survival and success that it is relevant to the audience."

Endemol's Haddad says political instability in the Middle East "is affecting the business

more and more these days", referring to the various recent revolutions and ongoing conflicts in the region.

"Rules and regulations related to media in general are practically non-existent in most countries, while the political situation in the region can make things difficult and audience tastes unpredictable," she says.

However, in the case of Egypt, she says recent political developments have actually been good for television thanks to the new channels and their financial effects on the ad market.

"Having said that, a huge part of the audience is shifting to news and current affairs and it can be difficult to predict the mood," she adds.

FremantleMedia's Kheder plays down the effect of politics on formats besides noting the same interest in news that grew after the Arab Spring. Instead, she says ratings measurement tools – or the lack of them – remain the biggest problem.

"Some people look at our market and are

quite astonished about what we consider is data," she says.

However, Kheder contends that larger formats are less affected by this, which could explain how she recently placed *The X Factor* and *Project Runway* with MBC.

"The region is lacking a unified system for TV measurements and this is the main challenge," adds Haddad. "People meters exist in two or three countries whilst the others use old methodology systems that don't give accurate ratings. Without a cohesive system it's difficult for broadcasters and producers to build their strategy according to figures."

"We end up having to rely on anecdotal evidence and social media reaction to contestants and judges, but it is by no means professional," says Sync's Sarkis, while Talpa's Kebbi describes the situation as "a sensitive topic that depends what side of the spectrum you sit on".

"Advertisers need a currency to help them gauge where to invest their budgets, and given the cultural mix of countries in the region, it makes that measurement very difficult," he adds.

However, Kebbi says change is coming, with the much-needed people meters looking set to finally launch in key territories this year. "When Saudi Arabia launches its people meter, it will be a huge change," he adds.

MBC's Jaber shares Kebbi's bright outlook. "We always find new and improved ways to gather necessary information from viewers and stakeholders," he says. "However, another measurement of success is certainly audience engagement during, before and after the series."

"Our social media platforms and digital accounts have sky rocketed to numbers that even international broadcasters are unable to achieve, as we reach an audience base of 21 Arab countries, with a total population of approximately 381 million people – 6% of the total world population." **TBI**



Endemol's *Star Academy* is long-running in the Middle East



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*Arabs Got Talent*

Pay TV outshines piracy in MENA

Piracy remains a major problem in the Middle East and North Africa, despite the many efforts to eradicate it. Digital TV Research principal analyst Simon Murray showcases the latest data and forecasts relating to piracy and the wider pay TV market in the MENA region

According to the latest Digital TV Middle East & North Africa report, there are 34.3 million Arabic-speaking free-to-air satellite TV homes in the region. Digital TV Research estimates that at least 10% of these homes also receive pirated premium satellite TV signals. This represents considerable revenue loss to the genuine players.

The legitimate side of the Arab-speaking pay TV business is becoming a two-horse race

between beIN Sports/Al Jazeera and OSN, the latter of which has begun carrying premium channels of former rivals channels. Both operators are primarily delivered via satellite, although several cable and IPTV operators carry one or both of these packages.

Given that there are 725 free-to-air channels, premium pay TV operations in the Arabic countries were traditionally mostly confined to the expatriate populations. However, things are changing, with more Arabic content attracting local subscribers

Digital TV Research estimates that beIN Sports had 819,000 residential satellite TV subscribers by 2015. This figure excludes non-satellite subscribers and non-residential satellite subscribers. Mostly delivered via satellite, the channels are also available on several cable and IPTV platforms such as Ooredoo in Qatar, Mobily in Saudi Arabia, and Etisalat and Du in the UAE.

beIN Sports offers 18 pay TV channels: the first 10 are in Arabic, and the next six form the Global package, which has two in English, three in French and one in Spanish. NBA and

Residential pay satellite TV subs by country (000)		
	OSN	beIN Sports
Algeria	10	28
Bahrain	30	22
Egypt	160	80
Jordan	10	11
Kuwait	85	44
Lebanon	6	9
Morocco	13	22
Oman	55	34
Qatar	70	50
Saudi Arabia	521	350
Syria	28	45
Tunisia	6	8
UAE	146	100
Other	22	16
Total	1,162	819

Source: Digital TV Research
Note: These figures are for residential pay satellite TV and do not include subs receiving these packages on cable and IPTV networks or non-residential satellite subscribers

Fox Sports are available a la carte or as part of the Global package. There are also two FTA channels: beIN Sports and beIN Sports News.

beIN Sports Arabia, formerly called Al Jazeera Sport, has been aggressively signing up rights, including regional exclusivity for the European Champions League for three seasons until 2017/18 for a reported US\$300 million and the 2014, 2018 and 2022 World Cups, the last of which Qatar will host.

In July 2013, the company acquired the exclusive Middle East and North Africa rights, covering 23 countries, to the English Premier League for the three seasons until mid-2016. beIN also holds the rights to Italy's Serie A, France's Ligue 1, Germany's Bundesliga, Spain's La Liga and the AFC [Asian] Champions League as well as NBA, US and French Open tennis and the Tour de France.

Pan-Arab satellite broadcaster Al Jazeera is owned by the Qatari government, with 20

channels on offer. Its Arabic channel is available in 50 million homes worldwide. Al Jazeera English is available in 220 million households in more than 110 countries.

beIN Sports was reported in the local press to have acquired a 53% stake in Turkey's Digiturk for \$820 million in December 2014. However, these reports await official confirmation from either party. This stake was a result of the Savings Deposit Insurance Fund of Turkey acquiring the assets of the Cukurova Group.

The loss of the English Premier League rights to beIN Sports was a major blow to Abu Dhabi Sports. The company had struggled to gain subscribers, reaching about 600,000 across its 20 channels in the previous deal. However, Abu Dhabi Sports regained some ground in December 2013 when it won the rights to UEFA's qualifiers for Euro 2016 and the 2018 World Cup. The company also holds the rights to the Arab Gulf League, screening three matches a week.

Since September 2014, Abu Dhabi Media's premium channels, including sports and new channel Abu Dhabi Drama+, have been exclusively available on OSN.

Digital TV Research estimates that OSN had 1.16 million residential satellite subscribers by 2015. This figure excludes non-residential subscribers and subs to the non-satellite platforms. This indicates strong growth as parent KIPCO stated that OSN had 858,000 subscribers at September 2013, and 734,000 by 2015.

Carrying 146 channels, including 38 in HD, OSN was formed from the merger of Kuwaiti-owned Showtime Arabia and Orbit Communications in July 2009 to create the largest pay TV platform in the Middle East.

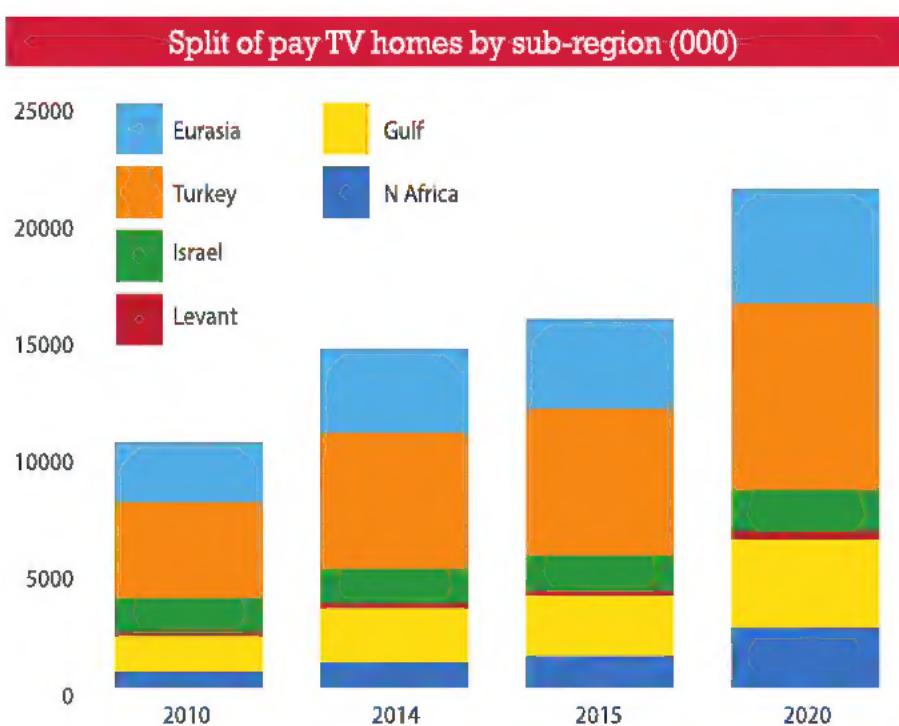
OSN has appealed mostly to the expatriate community in the past. In August 2013, OSN acquired Pehla, which targets the 800,000 South Asian homes in the region and has rights to top cricket.

However, the company is now putting greater emphasis on attracting local subscribers. For instance, OSN has started carrying channels from former rival ART as well as premium channels from Abu Dhabi Media.

OSN is owned by Panther Media Group, which, in turn, is 60.5% controlled by KIPCO (Kuwait Projects Company) and Saudi Arabia's Mawarid Group. KIPCO announced in June 2013 that it was planning an IPO for OSN, but these plans were postponed in November after the company secured a US\$200 million loan.

In August 2014, KIPCO rejected a US\$3.2 billion bid from US private equity firm Hellman and Friedman for its stake in OSN. OSN's revenues were about US\$500 million in 2013.

The number of pay TV homes across 20 countries in the Middle East and North Africa region will double between 2010 and 2020 to 21.3 million, with Turkey accounting for 37% of the total. According to the Digital TV Middle East & North Africa report, from the 6.84 million pay TV homes to be added between



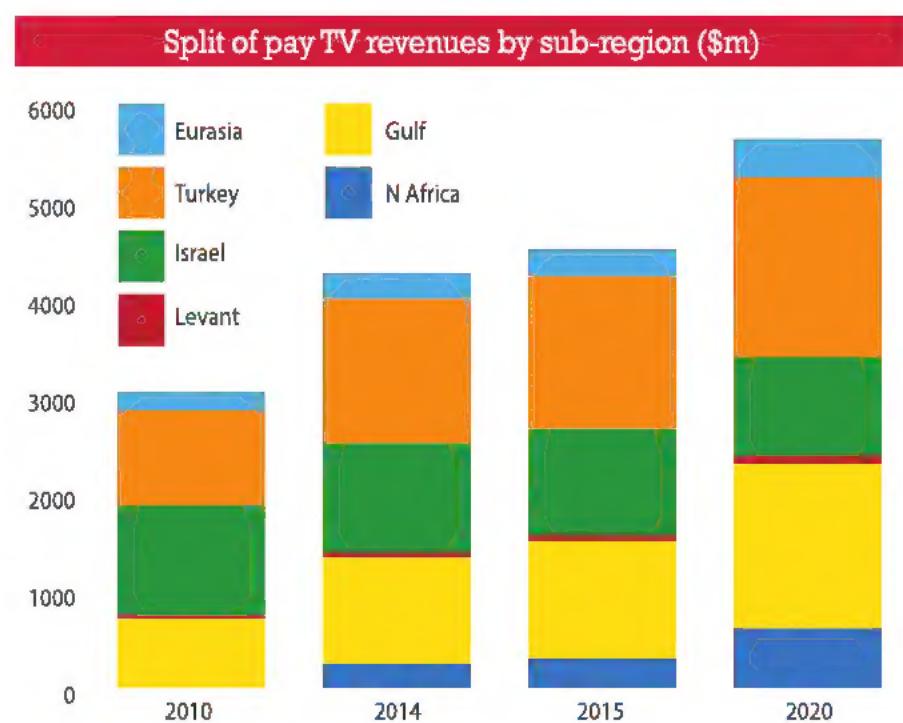
2014 and 2020, 2.15 million will come from Turkey and 1.03 million from Egypt.

About 18% of TV households, analogue and digital, legitimately paid for TV signals by 2015. This proportion will climb to 24% by 2020. Qatar will record 72% pay TV penetration by 2020, with Georgia at 50%, Israel 71% and the UAE 52% also high. However, pay TV penetration will remain below 10% of TV households in Algeria, Jordan, Morocco, Syria and Tunisia.

Legitimate pay TV revenues for the 20 countries covered in the Digital TV Middle East & North Africa report will grow by 75% between 2010 and 2020 to US\$5.63 billion. Turkey and Israel are expected to contribute 51% of the region's pay TV revenues in 2020; down from 65% in 2010. This leaves only US\$2.77 billion for the remaining 18 countries in 2020, or an average of US\$154 million each.

From the US\$1.37 billion pay TV revenues to be added between 2014 and 2020, Turkey will supply US\$362 million, Egypt US\$227 million and Saudi Arabia US\$367 million. Revenues in Israel will fall by US\$108 million over this period due to greater competition and the conversion of subscribers to bundles, which means lower TV revenues per subscriber.

Satellite TV will continue to dominate pay TV revenues, taking two-thirds of the 2020 total, similar to the 2014 proportion. Satellite TV revenues will be \$3.8 billion in 2020, up by US\$800 million on 2014 and \$1.7 billion on the 2010 total.



Turkey will account for US\$1.57 billion of the 2020 satellite TV revenues, followed by Saudi Arabia with US\$674 million. Saudi Arabia will take second place from Israel in 2015. Satellite TV revenues in Israel will start falling in 2016 as competition forces down ARPU.

Pay satellite TV penetration will climb from 6.9% in 2010 to 11.8% in 2020, with subscriber numbers doubling from 5.01 million to 10.32 million. Penetration in 2020 will reach 27% in Bahrain, 26% in Israel, 23% in Kuwait, 37% in

Qatar and 26% in Turkey, but will be less than 5% in a further 10 countries.

About 55% of TV households, 43.35 million, watched free-to-air satellite TV signals by 2015. This proportion is not expected to change too much in coming years, although the number of FTA satellite TV homes will increase to 48.27 million. FTA satellite TV penetration varies considerably among the 20 countries: from 87% in Algeria to 3% in Israel in 2020.

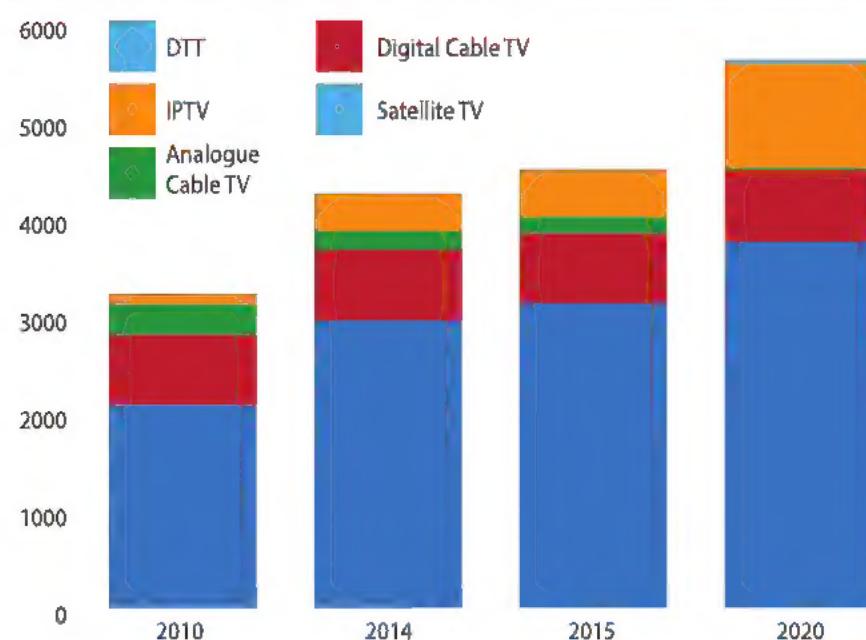
Homes paying for IPTV will overtake cable subscriptions, analogue and digital together, in 2015. There will be 6.16 million IPTV subs in the region by 2020; triple the 2014 total. Turkey will have 1.63 million subscribers, five times as many as 2014, and will be the IPTV subscriber leader in 2020; ahead of Saudi Arabia with 709,000 subs, Kazakhstan 623,000 and Egypt 737,000. However, Qatar will lead in penetration terms, with 35%, by 2020, followed by the UAE with 33% and Georgia 24%.

IPTV revenues will grow tenfold between 2010 and 2020 – to \$1.07 billion. The UAE will contribute US\$233 million of the 2020 total, followed by Saudi Arabia with US\$226 million and Turkey US\$183 million. **TBI**

Source: Digital TV Research Ltd

Note: North Africa = Algeria, Egypt, Morocco, Tunisia. Gulf States = Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE. Levant = Jordan, Lebanon, Syria. Eurasia = Armenia, Azerbaijan, Georgia, Kazakhstan, Uzbekistan

Middle East & North Africa pay TV revenues by platform (US\$m)



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